

**Introduced by Senator De León**February 18, 2011

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An act to amend Section 5318 of the Labor Code, relating to workers' compensation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 896, as introduced, De León. Workers' compensation: spine surgeries.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law, operative only until the administrative director adopts a regulation specifying separate reimbursement, if any, for implantable medical hardware or instrumentation for complex spinal surgeries, requires that implantable medical devices, hardware, and instrumentation for specified Diagnostic Related Groups (DRGs) be separately reimbursed in accordance with a prescribed formula.

This bill would instead require that specified spine surgeries be reimbursed to the performing hospital at the rate of 1.8 times the applicable DRG rate, with no separate reimbursement for any implantable devices, hardware, or instrumentation.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 5318 of the Labor Code is amended to  
2     read:

1     5318. ~~(a) Implantable spine surgeries with implantable medical~~  
2     ~~devices, hardware, and instrumentation for Diagnostic Related~~  
3     ~~Groups (DRGs) 004, 496, 497, 498, 519, and 520 030, 453, 454,~~  
4     ~~455, 457, 459, 460, 471, 473, and 491 shall be separately~~  
5     ~~reimbursed at the provider's documented paid cost, plus an~~  
6     ~~additional 10 percent of the provider's documented paid cost, not~~  
7     ~~to exceed a maximum of two hundred fifty dollars (\$250), plus~~  
8     ~~any sales tax and shipping and handling charges actually paid~~  
9     ~~reimbursed to the performing hospital at the rate of 1.8 times the~~  
10    ~~applicable DRG rate, with no separate reimbursement for any~~  
11    ~~implantable devices, hardware, or instrumentation.~~  
12    ~~(b) This section shall be operative only until the administrative~~  
13    ~~director adopts a regulation specifying separate reimbursement, if~~  
14    ~~any, for implantable medical hardware or instrumentation for~~  
15    ~~complex spinal surgeries.~~